



Richmond Poverty Response Committee Submission to the Select Standing Committee on Finance And Government Affairs, October 2014

This submission is made on behalf of the Richmond Poverty Response Committee. Since 2000, our coalition has completed several community projects to alleviate the impacts of poverty in our community. We also advocate for systemic change that will result in the reduction of poverty among Richmond residents. As a guiding principle, we strongly encourage the Standing Committee on Finance and Government Services to identify and frame economic development goals in relation to social and environmental goals. We support a strong economy in British Columbia that shows clear linkages and based on strong evidence to support the health and social well-being of British Columbians and our collective natural capital.

Poverty and Income Inequality:

In the first two days of 2014 the compensation for Canada's top CEO was \$47,000, more than the average Canadian would earn all year¹.

A 2014 OECD report shows that in Canada the very rich are taking a greater share of the income than ever before. 86 families now hold more wealth than the poorest 11.4 million Canadians. Cuts to income taxes and corporate taxes and the flattening of tax rates overall have resulted in less revenue for social investments such as early childhood development, health care, social housing and infrastructure development. Even the IMF, which has pitched austerity agendas for decades, has recently stated that growing inequities is bad for economies and judicious redistribution is beneficial for economic growth².

As of January 2014, MSP costs \$831 per year for a single individual, taking a much bigger bite out of the income of someone making \$40,000 per year than for someone making \$250,000. The provincial government now collects almost as much revenue from MSP premiums as it gets from corporate income taxes³.

Poverty and Jobs:

BC has had the highest poverty rate in Canada for the last 13 years but the government has never put forward a plan to tackle it directly. Most poor people in BC already have a job. Poverty in BC is primarily about the "working poor." Contrary to popular belief, only 3% of people living in poverty are on welfare, whereas the overall poverty rate is 11%⁴.

Combating poverty is the perfect investment during a slow recovery. It will provide an immediate boost to the provincial economy, so low-income families can buy more goods

¹ Dr. Ryan Mieli, Upstream Director and expert advisor with Evidencenetwork.ca

² Dr. John Millar, UBC school of population health, Op-Ed Province July 30, 2014)

³ Canadian Centre for Policy Alternatives, 2014 Alternative Budget

⁴ 5 Things to know about poverty in BC, 2013 BC Poverty Reduction Coalition

and services from local businesses, and will produce considerable savings over the long run⁵.

In 2011 the opposition proposed a Poverty Reduction Plan Act in the BC Legislature after receiving unanimous support from the members of the select standing committee on finance and government services to “introduce a comprehensive poverty-reduction plan.” But the Act did not receive second reading. The government rejected this call by saying the B.C. Jobs Plan would suffice⁶.

How is the BC Jobs Plan actually faring? Statistics Canada data reveals that BC’s labour market stalled in 2013, despite the BC Jobs Plan launched in 2011. 2/3 of the new jobs created were seasonal or casual with fewer full time jobs than before the 2008 recession. Temporary foreign workers filled 29% of the new jobs. The plan does not specifically address vulnerable groups such as youth and new immigrants⁷.

Child and Family Poverty:

At 18.6%, BC’s child poverty rate is the highest in Canada. 32% of poor children in BC (44,500 children) live in families with at least one adult working full time, year round⁸

The minimum wage of \$10.25 per hour does not allow workers to escape poverty. The 2014 living wage for Metro Vancouver has been calculated at \$20.10 per hour, meaning each parent in a family of four needs to make over \$36,000 annually to support themselves. The calculation is based on essential living expenses such as food, clothing, shelter, transportation and childcare⁹.

An analysis of the government-run \$7 per day childcare program in Quebec found the taxes returned to the federal and provincial government significantly exceeded the cost. And in the first 12 years, the labour participation rate for women in Quebec went from 10 points below the Canadian average to 7 percentage points higher¹⁰.

BC Child and Youth representative Mary Ellen Turpel-Lafond released a progress report in October 2014 calling for a poverty reduction strategy that would be non-partisan with leadership from the Premier’s office and involve all government ministries. As well, the BC government’s own poverty pilot project progress reported in May 2014 and recommended the need for a poverty reduction plan. It was based on serving only 72 families in communities across BC¹¹

⁵ CCPA 2014 Alternative Budget

⁶ The Province Op-Ed May 8, 2014 Ted Bruce, Seth Klein and Trish Garner, BC Poverty Reduction Coalition

⁷ Igluka Ivanova, CCPA economist, BC Jobs Plan Reality Check: The First Two Years, January 9, 2014

⁸ 2013 Child Poverty Report Card, First Call Child and Youth Advocacy Coalition

⁹ Living Wage for Families Campaign, April 29, 2014

¹⁰ Don Cayo, Opinion Vancouver Sun, Business pages July 19, 2014

¹¹ Office of the Representative for Children and Youth, Not Fully Invested: A Follow-up Report on the Representative’s Past Recommendations to Help Vulnerable Children in B.C, October 9, 2014

Poverty and Food Security:

Over 1 in 3 low-income people face food insecurity, experiencing hunger or a lack of adequate nutrients over short to long-term periods. In British Columbia, 7.7 per cent of people experience food insecurity. It is well-documented that health outcomes are impacted when regular, diverse and healthy foods are unstable including: heart disease, diabetes, high blood pressure, stress, mental disease, and food allergies¹².

The 2011 Cost of Eating report found that the average cost of a nutritious food basket for a family of four was \$868. The support allowance for a family of four on income assistance has not changed since 2001 (\$401) while the cost of a healthy food basket has risen from \$626 to \$868¹³.

The Richmond Food Bank continues to experience increasing demand for its services, doubling the number of clients it serves in the past three years to over 1,500 individuals per week. Additionally, we have seen an increase in the number of community meals offered by faith institutions and organizations and culturally specific food banks (e.g. the Muslim Food Bank and the Jewish Food Bank)¹⁴

Poverty and Housing:

The health and wellbeing of BC residents is adversely affected by poor housing quality and homelessness. People living in unsafe, unaffordable and insecure housing have an increased risk of health problems and require more medical care and emergency medical services. About 15% of British Columbians spend more than 30 percent of their income on housing. When families spend most of their income on rent, they have little left over for other basics like food, utilities, transportation and childcare and so family health and wellbeing suffers over time¹⁵.

BC has the highest core housing need in Canada. In Metro Vancouver a two-bedroom apartment rents for an average of \$1500 per month. For this to be “affordable” a person needs to make \$30 per hour, full time, year round¹⁶.

“Many Canadians seem to be concerned that reducing poverty means spending on people living in poverty, leaving others worse off. The growing body of research and experience, however, tells a very different story. It shows that investing to reduce poverty improves wellbeing for everyone.”¹⁷

Poverty and Transit:

BC needs an affordable transit plan especially for low-wage earners that do not reside in their work community. Upgrading and expanding a sustainable transportation infrastructure is a necessity. Government decisions to build new highways and bridges do

¹² BC Poverty Reduction Coalition, 2014 PRC health fact sheet

¹³ 2011 Cost of Eating in British Columbia, Dieticians of Canada

¹⁴ Richmond Food Bank, Richmond Food Security Action Team

¹⁵ BC Poverty Reduction Coalition, 2014 PRC health fact sheet

¹⁶ 2014 Richmond Rental Connect at richmondrentalconnect.ca

¹⁷ John Rook Chairperson, National Council of Welfare, defunded in 2012

not go to a public referendum. Therefore the decision to put TransLink funding increases to a referendum levies an unfair burden on all taxpayers. People are being forced to justify public transit projects, including those that rely on transit to get to work and get to other necessary services.¹⁸

RECOMMENDATIONS:

The Richmond Poverty Response Committee urges the Standing Committee on Finance and Government Services to report and recommend commitment to a poverty reduction plan for BC to combat poverty and its effects, by implementing the following targets over a structured timeframe:

- * Raise income assistance rates and index them to inflation
- * Raise rental housing subsidies for IA, RAP and SAFER
- * Raise thresholds upon which the rent subsidies apply
- * Reverse child support claw backs for single parents on income assistance
- * Allow IA clients to keep money they earn through part time employment
- * Adopt a childcare plan so that women can afford to work and pay taxes
- * Increase the minimum wage and index it to inflation
- * Address the structural barriers faced by marginalized groups
- * Re-commit to building thousands of new social housing units per year
- * Provide essential health care services and MSP at no cost
- * Scrap the transit referendum and build a long-term strategy for public transit
- * Establish a province-wide school food program
- * Ensure that farmland, water resources, and marine habitat are maximized for food production
- * Ensure the affordability of fruits and vegetables in food retail

Respectfully submitted for the **Richmond Poverty Response Committee** on October 17, 2014 by:

De Whalen, Colin Dring, Lynda Brummitt

Task Group to prepare report

Richmond Poverty Response Committee

A coalition of Richmond residents and agencies working together to reduce poverty and the impacts of poverty with research, projects and public education

C/o 5800 Cedarbridge Way,

Richmond BC, V6X 2A7

www.richmondprc.org,

www.facebook.com/RichmondPRC

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¹⁸ Eric Doherty 2014 www.getonboardbc.ca/what_we_support